

2 OCT 1978

MEMORANDUM FOR: Director of Logistics

VIA: Chief, Real Estate and Construction
Division, OL

FROM: [REDACTED]
Chief, Real Estate Branch, RECD/OL

SUBJECT: Review of H.R. 14106

1. My review of the referent Bill leads to the conclusion that passage in its current form should not have a serious impact upon the operations of the Agency. On its surface, the Bill shortcuts an existing system which has been in effect since the implementation of revenue sharing by the federal government in the early 1970's. We have, for instance, provided information to local taxing authorities to assist them in determining the fair market value of a particular property [REDACTED] one instance in which I participated). The taxing authority has been reporting its total value of tax exempt properties to the state capital whereupon a formula was used to determine the amount of reimbursement due the local taxing authority as compensation for the exempted properties within its boundaries. Under the Bill, the local taxing authority will report directly to the Administrator, GSA, the value of federal property in its district and receive the equivalent property tax payment from GSA, thus eliminating several layers which now exist.

2. The Administrator, GSA is the sole authority for determining the validity of taxing authorities' claims and making payments (another disaster in its embryonic stage). Sec 4(a) of the Bill contains provisions for authorizing the appropriation of "such sums as may be necessary for carrying out the provisions of this Act." [REDACTED] concurs that because of the way the Bill is written, the Administrator, GSA, would have budgeting responsibility. Whether this would eventually be incorporated into the SLUC system is not clear at this time, but it could well be handled in that fashion.